

## Message Text

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PAGE 01 ALEXAN 00153 161353Z  
ACTION NEA-10

INFO OCT-01 EUR-12 ISO-00 SS-15 SP-02 L-03 NSC-05  
CIAE-00 INR-10 NSAE-00 EB-08 STR-07 COME-00 OMB-01  
TRSE-00 OPIC-03 IGA-02 /079 W  
-----042600 170332Z /15

R 161325Z FEB 78  
FM AMCONSUL ALEXANDRIA  
TO SECSTATE WASHDC 1603  
INFO AMEMBASSY CAIRO  
AMEMBASSY DAMASCUS  
AMEMBASSY LONDON

C O N F I D E N T I A L ALEXANDRIA 0153

DEPT PASS TREASURY  
LONDON FOR KINSOLVING

E.O. 11652: GDS  
TAGS: EINV, ETRD, EG  
SUBJECT: SUPREME COUNCIL FOR INVESTMENT APPROVES TRANSFER OF  
PROSPECTIVE DIVIDENDS IN FORD INVESTMENT PROJECT

REF: CAIRO 03595

1. ACTING MANAGER OF FORD EGYPT, ABDUL HALIM ABUD ELA, INFORMED  
CONGEN THAT ON FEB. 7, 1978, THE EGYPTIAN SUPREME COUNCIL FOR  
INVESTMENT, CHAIRED BY THE PRIME MINISTER, UNANIMOUSLY ADOPTED A  
RESOLUTION APPROVING THE TRANSFER OF PROSPECTIVE DIVIDENDS ON  
STOCK IN THE FORD INVESTMENT PROJECT ISSUED FOR THE VALUE OF THE  
FORD PLANT ASSETS IN EGYPT.

2. ABDUL HALIM EXPLAINED THAT ORDINARILY WHERE EGYPTIAN CAPITAL  
IS INVESTED IN SUCH A PROJECT, DIVIDENDS ARE TRANSFERABLE, BUT  
ONLY AFTER APPROVAL BY THE EGYPTIAN EXCHANGE CONTROL AUTHORITIES.  
DEPENDING UPON THE AVAILABILITY OF HARD CURRENCY TO GOE, HOWEVER,  
TRANSFER COULD BE DELAYED FOR A LONG PERIOD. THE DECISION OF  
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THE SUPREME COUNCIL PERMITS THE FORD PROJECT, IF A DIVIDEND IS  
DECLARED AND THE COMPANY HAS HARD CURRENCY ASSETS OUTSIDE  
EGYPT, TO TRANSFER THE DIVIDEND TO FORD DIRECTLY (I.E. IT IS NOT  
NECESSARY TO GO THROUGH EXCHANGE CONTROL.) THE DIVIDEND TRANSFER  
ARRANGEMENT FOR SHARES ISSUED FOR FORD PLANT IN EGYPT WOULD,  
THREFORE, BE THE SAME AS FOR SHARES ISSUED FOR HARD CURRENCY  
CONTRIBUTION BY FORD.

3. THE FORD COMPANY HAS BEEN INFORMED OF THIS DEVELOPMENT  
BUT HAS NOT YET RESPONDED.

4. WITH RESPECT TO THE BOYCOTT, ABDUL HALIM SAID THAT HE CANNOT,  
OF COURSE, NOW HAVE ANY CONTACT WITH LOCAL BOYCOTT AUTHORITIES  
BUT HE UNDERSTANDS INDIRECTLY THAT THE LOCAL EGYPTIAN BOYCOTT  
OFFICER IS SOMEWHAT UPSET BECAUSE FORD WENT DIRECTLY TO  
BOYCOTT AUTHORITIES IN DAMASCUS WITHOUT FIRST CONSULTING HIM  
AND OBTAINING HIS ADVICE.

5. IN GENERAL, HOWEVER, ABDUL HALIM WAS OPTIMISTIC ABOUT  
THE FORD PROJECT AND SAID THAT THE GOE IS DISCUSSING THE  
PURCHASE OF 100 FORD POLICE CARS IN ORDER TO INTRODUCE FORDS  
GRADUALLY INTO THE COUNTRY -- THE IDEA BEING THAT WHEN THE  
FORD PLANT BEGINS TO PRODUCE FORD VEHICLES, PEOPLE WILL  
ALREADY HAVE ACCEPTED THEIR PRESENCE. MCCLELLAND

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NNN

## Message Attributes

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**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** AUTOMOTIVE INDUSTRY, EXECUTIVE COUNCIL, FOREIGN INVESTMENTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 16 feb 1978  
**Decaption Date:** 20 Mar 2014  
**Decaption Note:** 25 YEAR REVIEW  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Subject:** SUPREME COUNCIL FOR INVESTMENT APPROVES TRANSFER OF PROSPECTIVE DIVIDENDS IN FORD INVESTMENT PROJECT  
**TAGS:** EINV, ETRD, EG, FORD MOTOR COMPANY  
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